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Commission on Narcotic Drugs
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Item 5 of the provisional agenda*
Implementation of the Political Declaration and Plan of Action on International Cooperation towards an Integrated and Balanced Strategy to Counter the World Drug Problem: follow-up to the high-level review by the Commission on Narcotic Drugs, in view of the special session of the General Assembly on the world drug problem to be held in 2016

Russian Federation: draft resolution

Strengthening international cooperation in identifying and blocking financial flows linked to drug trafficking

The Commission on Narcotic Drugs,

Noting the commitments undertaken by Member States in accordance with the Single Convention on Narcotic Drugs of 1961 as amended by the 1972 Protocol,[1] the Convention on Psychotropic Substances of 1971[2] and the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988,[3]

Recalling Security Council resolution 1373 (2001) of 28 September 2001, in which the Council noted the close connection between international terrorism and transnational organized crime, illicit drug production and trafficking, money-laundering and other criminal activities,

Reaffirming the commitments undertaken by Member States in line with the Political Declaration and Plan of Action on International Cooperation towards an

* E/CN.7/2015/1.
[1] United Nations, *Treaty Series*, vol. 976, No. 14152.
[2] Ibid., vol. 1019, No. 14956.
[3] Ibid., vol. 1582, No. 27627.

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Integrated and Balanced Strategy to Counter the World Drug Problem[4] to continue to foster international cooperation with a view to preventing and identifying cases of laundering of money derived from drug trafficking, and with a view to conducting investigations and criminal prosecutions in that regard,

Taking note of the statement by the President of the Security Council on the problem of drugs originating in Afghanistan, adopted on 25 June 2014,[5] in which the Council renewed the call to enhance the coordination of national, subregional and international efforts in order to close off connections between international terrorism and drug trafficking and welcomed the efforts of the Financial Action Task Force to identify illicit financial flows linked to Afghan drug trafficking,

Taking note also of the Joint Ministerial Statement of the 2014 high-level review by the Commission on Narcotic Drugs of the implementation by Member States of the Political Declaration and Plan of Action,[6] in which ministers and government representatives reaffirmed the need for Member States to strengthen efforts to enhance capacity to combat the laundering of money derived from drug trafficking,

Noting with satisfaction the efforts undertaken by Member States within the framework of the Paris Pact initiative, on the basis of the Vienna Declaration adopted by the Third Ministerial Conference of the Paris Pact Partners on Combating Illicit Traffic in Opiates Originating in Afghanistan,[7] to identify and block financial flows linked to the illicit traffic in opiates originating in Afghanistan,

Welcoming the results of the research conducted by the Financial Action Task Force together with the United Nations Office on Drugs and Crime and other partners to identify and subsequently block illicit financial flows from the production of and trafficking in drugs originating in Afghanistan,

Reaffirming its resolution 53/3 of 12 March 2010, on strengthening national capacities in the administration and disposal of property and other assets confiscated in cases of drug trafficking and related offences, and its resolution 52/9 of 20 March 2009, on strengthening measures against the laundering of assets derived from drug trafficking and related offences,

Expressing concern that the laundering of money derived from drug trafficking continues to be a global problem that threatens the security and stability of financial institutions and systems, undermines economic prosperity and weakens governance systems,

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[4] See *Official Records of the Economic and Social Council, 2009, Supplement No. 8* (E/2009/28), chap. I, sect. C.

[5] S/PRST/2014/12.

[6] *Official Records of the Economic and Social Council, 2014, Supplement No. 8* (E/2014/28), chap. I, sect. C.

[7] See E/CN.7/2012/17.

Expressing concern also that, according to the United Nations Office on Drugs and Crime, less than 1 per cent of the total proceeds of drug trafficking, estimated at 322 billion United States dollars per year, is confiscated,[8]

Expressing deep concern that, in some cases, proceeds from drug trafficking are one of the sources of financing of terrorism and other criminal activities, and recalling in this regard Security Council resolution 2161 (2014) of 17 June 2014, in which the Council recognized the need to take measures to prevent and suppress the financing of terrorism and terrorist organizations, including from the proceeds of organized criminal activity, inter alia, the illicit production and trafficking of drugs and their precursors, and the importance of continued international cooperation to that end,

Recognizing that in a globalized society drug traffickers are making increasing use of new information technologies, in particular virtual currencies and the Internet, to carry out financial transactions to support their business, as well as vulnerabilities in financial systems and national regimes to combat money-laundering and the financing of terrorism, in particular in global financial centres,[9]

Recognizing also the contribution of the United Nations Office on Drugs and Crime, through the Global Programme against Money-Laundering, Proceeds of Crime and the Financing of Terrorism, to coordinating and providing technical assistance to Member States in order to facilitate the analysis, identification and blocking of financial flows linked to drug trafficking and other illicit activities,

Recognizing further the innovative work currently being undertaken by the United Nations Office on Drugs and Crime on analysing the "business model" of drug trafficking on the Balkan route and the possibility of applying the same methodology to the analysis of other drug trafficking routes and their characteristics,

Recognizing the important role of organizations such as the International Criminal Police Organization (INTERPOL), the Egmont Group of Financial Intelligence Units and the Financial Action Task Force in coordinating and facilitating the exchange of operational information and results of typological studies in order to support Member States in identifying, investigating and suppressing illicit financial flows linked to drug trafficking,

Noting that at present there is no early warning system at the international level to inform Member States and the private financial sector of the identity and activities of individuals and entities suspected of involvement in drug trafficking, and noting also that at the international level there is no mechanism permitting the prompt freezing of bank assets linked to such individuals and entities with a view to further investigation by Member States,

Recognizing the importance of using a risk-based approach to defining strategies and allocating resources for the adoption of practical and effective

[8] "Estimating illicit financial flows resulting from drug trafficking and other transnational organized crimes", United Nations Office on Drugs and Crime, October 2011, p. 31.

[9] See Financial Action Task Force report on financial flows linked to the production and trafficking of Afghan opiates.

measures to undermine the drug trafficking business model, and of basing such an approach on reliable, accurate and continuously updated information, in particular on how drug traffickers receive, transfer, use and store money,

1. *Notes* the importance of further enhancing and coordinating the efforts of specialized international organizations and entities, and of Member States, to close off the connection between international terrorism and various forms of transnational organized crime, in particular drug trafficking, with a view to strengthening the response to that serious challenge to international security and creating conditions conducive to depriving drug trafficking of commercial appeal;

2. *Welcomes* the progress made by Member States in establishing legal and institutional mechanisms for analysing, identifying, investigating and blocking illicit financial flows linked to drug trafficking, and calls upon Member States to conduct regular assessments of the effectiveness of those mechanisms in reducing the risks posed to Member States by the activities of drug traffickers and other criminal and terrorist groups that may use and benefit from their financial infrastructure;

3. *Calls upon* Member States to intensify their efforts to comply with international standards on countering money-laundering in order to reduce the vulnerability of their financial systems to the infiltration of illicit financial flows;

4. *Welcomes* the initiatives at the regional and international levels to develop measures to identify and block illicit financial flows linked to drug trafficking, in particular under the auspices of the Paris Pact and the Financial Action Task Force working group on risks, trends and methods, and calls upon Member States to continue to provide expertise and financial support for such initiatives;

5. *Calls upon* Member States, the United Nations Office on Drugs and Crime and other international organizations to continue to analyse financial flows linked to drug trafficking and their interaction with the licit economy and with activities to support international development, as well as financial relations between drug traffickers and terrorists, with a view to better assessing the risks posed by such relations to Member States and identifying key vulnerable links in the business models of criminal and terrorist networks, and to develop strategies and practical tools to reduce those risks;

6. *Calls upon* Member States, building upon the results of relevant investigations, to put into practical effect efforts to block illicit financial flows from the production of and trafficking in various types of drugs;

7. *Also calls upon* Member States to develop methodologies for collecting information on financial transactions related to drug trafficking for the purpose of decision-making at the strategic, operational and national levels, to share such information with other Member States and international organizations, including the United Nations Office on Drugs and Crime and to ensure that the investigation of cases related to drug trafficking is accompanied by a mandatory parallel analysis of the financial component of those cases and the identification of schemes for laundering the proceeds of drug trafficking;

8. *Further calls upon* Member States to exchange operational information and, with the participation of the United Nations Office on Drugs and Crime, useful

experience, as well as thematic research, to enhance the detection, investigation and curtailing of financial flows linked to drug trafficking, with a view to developing more strategic and practical solutions aimed at finding more effective and efficient ways of identifying, investigating and blocking opportunities for drug traffickers to profit from drug trafficking and finance their business;

9. *Calls upon* Member States to expand national and international cooperation among law enforcement agencies, financial intelligence units and other agencies engaged in countering money-laundering;

10. *Welcomes* the level of interaction already achieved between Member States and the private financial sector with regard to identifying trends and exchanging information for the purpose of reducing the overall risks posed by illicit financial flows linked to drug trafficking, and encourages Member States, and where necessary the United Nations Office on Drugs and Crime and other regional and international organizations, to enhance that interaction, including in international financial centres and vulnerable commercial sectors, with a view to reducing the possibilities for drug traffickers to profit from the licit global economy and reducing reputational risks for the financial systems of Member States;

11. *Calls upon* the United Nations Office on Drugs and Crime to work within existing resources with Member States and representatives of the private financial sector to consolidate existing best practices and examine possibilities for creating regional and international mechanisms to alert Member States and the private financial sector to individuals and entities suspected of involvement in drug trafficking, with a view to improving the provision of information on such suspicious activity and making the private financial sector an unfavourable environment for financial flows linked to drug trafficking;

12. *Calls upon* Member States to monitor the private sector in order to identify organizations involved in the laundering of proceeds derived from drug trafficking and to identify payments made for narcotic drugs;

13. *Welcomes* the strengthened cooperation between all relevant bodies of the United Nations system, including the United Nations Office on Drugs and Crime, the Department of Peacekeeping Operations, the Department of Political Affairs, the United Nations Development Programme, the World Customs Organization, the World Bank, the International Monetary Fund, the Financial Action Task Force and the International Criminal Police Organization (INTERPOL), and calls upon those bodies, in accordance with their respective mandates and within existing resources, to support Member States in efficiently and effectively reducing the threats posed by drug traffickers by analysing and determining their financial infrastructure, including the identification of interconnections between that infrastructure and other forms of criminal and terrorist networks;

14. *Requests* the United Nations Office on Drugs and Crime to facilitate opportunities to share experiences of implementation of the present resolution by Member States at the fifty-ninth session of the Commission;

15. *Requests* the Executive Director of the United Nations Office on Drugs and Crime to submit to the Commission at its fifty-ninth session a report on the implementation of the present resolution;

16. *Invites* Member States and other donors to provide extrabudgetary resources for the purposes described above, in accordance with the rules and procedures of the United Nations.